

Memorandum



CITY OF DALLAS

DATE: September 19, 2005

TO: Honorable Mayor and Members of the City Council

SUBJECT: FY 2005-06 Revenue Estimates

INDEPENDENT AUDITOR'S REPORT

We have examined the accompanying Forecasted Gross Operating Revenue of the City of Dallas for the Fiscal Year Ending September 30, 2006. The City of Dallas' management is responsible for the forecast. Our responsibility is to express an opinion on the forecast based on our examination.

Our examination was made in accordance with attestation standards established by the *American Institute of Certified Public Accountants* (AICPA) and in accordance with generally accepted government auditing standards, and accordingly, included such procedures, as we considered necessary to evaluate both the assumptions used by management, and the preparation and presentation of the forecast. We believe that our examination provides a reasonable basis for our opinion.

The forecasted gross operating revenue of the 2004-05 Fiscal Year is included in the report for comparative purposes only. The Departments have estimated these amounts.

In our opinion, the accompanying forecast and the underlying assumptions provide a reasonable basis for management's forecast. However, there will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Paul T. Garner

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Assistant City Auditor

c: Mary K. Suhm

CITY OF DALLAS FORECASTED GROSS OPERATING REVENUE
FISCAL YEARS ENDING SEPTEMBER 30, 2006 AND 2005

	FY 2005-06	FY 2004-05 (note 5)
GENERAL FUND		
Ad Valorem Tax	\$381,697,671	\$366,862,943
Sales Tax	208,172,044	202,265,022
Franchise Fees	101,394,091	99,857,235
Licenses and Permits	6,872,747	6,478,407
Interest Earned	4,071,795	2,955,300
Intergovernmental	4,956,949	4,312,918
Fines and Forfeitures	34,625,677	32,774,415
Services Fees	109,360,089	105,307,588
Interfund Revenue (see note 1)	41,377,834	39,594,327
One-Time Resources	3,311,034	4,800,000
Miscellaneous	<u>10,222,879</u>	<u>7,504,201</u>
Subtotal General Fund Revenue	906,062,810	872,712,356
ENTERPRISE FUNDS		
Aviation (see note 2)	33,264,385	32,805,702
Convention Center	65,301,681	62,624,070
Development Services (see note 3)	25,195,290	18,728,227
Municipal Radio	3,455,682	3,064,466
Storm Water	28,838,629	28,433,142
Water	<u>433,559,826</u>	<u>415,969,682</u>
Subtotal Enterprise Funds Revenue	589,615,493	561,625,289
DEBT SERVICE FUNDS		
General Obligation Debt (see note 4)	<u>165,672,956</u>	<u>149,285,182</u>
TOTAL FORECASTED OPERATING REVENUE	<u>\$1,661,351,259</u>	<u>\$1,583,622,827</u>

Notes

1. Amount included in the Adopted Budget for FY 2004-05 was \$39,594,327. The FY 2004-05 amount shown in the Proposed Budget Book for FY 2005-06 is \$40,967,782, or a difference of \$1,373,455. This difference represents amount transferred from the Contingency Fund to Interfund Revenue.
2. FY 06 revenue estimate is \$30,263,240. Fund balance will provide additional funding.
3. FY 06 revenue estimate is \$21,461,444. Fund balance will provide additional funding.
4. FY 06 revenue estimate is \$162,867,451. Fund balance will provide additional funding.
5. Represents amounts included in the Adopted Budget for FY 2004-05. FY 2004-05 amounts shown in the Proposed Budget Book for FY 2005-06 may differ. These differences are not considered material.